

City of Annapolis

FY 2004 - FY 2009 Capital Improvements Program

Introduction:

The Capital Improvements Program (CIP) is a projection of the City's capital investments plan for a six-year period. Capital investments involve major City projects which normally have long, useful lives. Projects included in the CIP usually fall into one of the following four categories:

1. Acquisition of land for a public purpose.
2. The construction of a significant facility, road or an addition to an existing facility.
3. Non-recurring rehabilitation or major repair to all or part of a facility.
4. Any specific planning, engineering study or design work related to a project that falls in the above three categories.

The recommended CIP includes six years of projected capital needs. The first year of the program will become the capital budget for which project money will be authorized. The remaining five years of the CIP will serve as a financial plan for capital investments. The financial plan will be reviewed each year as the CIP is updated and prepared.

Financing the Capital Budget:

The following funding sources are used to finance the projects presented in the CIP:

- *General Obligation Bonds* - Bonds are the primary source of funding by which capital projects are financed.
- *State Grants* - The City receives state grants for various capital projects, including roads, community facilities, buses and dock repairs .
- *Federal Grants* - Usually for transportation related capital projects, such as the new bus fleet.
- *AA Co. Contributions* - Contributions from Anne Arundel County for projects that serve the need of both City and County residents, usually roads.
- *Contributions* - Funds contributed to a project by a local business or special interest group. This includes developer contributions, which are payments by developers for capital facilities that enhance their property.
- *Community Development Block Grant (CDBG) Funds* - Federal grant funds primarily used to facilitate the production and preservation of low and moderate income housing.
- *Capital Facilities Assessments (CFA)* - A source of funding for Water and Wastewater projects only, these are user fees in the form of connection charges and annual assessments.
- *Operating Funds* - Next to general obligation bonds, operating funds are the largest source of funding for capital projects.

City of Annapolis
FY 2004 - FY 2009 Capital Improvements Program

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Relationship Between the Operating and Capital Budget:

The Operating and Capital budgets of the City of Annapolis have a direct relationship. The cost of operations and maintenance of a new capital project will need to be absorbed in the operating budget. Whenever a capital project is brought on line, operating costs are incurred.

The Operating Budget for the City is for costs associated with providing on-going services to citizens. Some of these operating costs are for salaries, professional services, maintenance costs, supplies and operating capital items. Revenues for the operating budget are generally from taxes, intergovernmental sources and user fees.

The Capital Budget includes expenditures for major capital programs which add to the capital assets for infrastructure of the City. These programs are long-term in nature (over one year) and are usually financed on a long-term basis. The long-term financing is associated with a commitment of operating funds. For example, if twenty year bonds are issued to finance capital needs, the operating funds will need to budget debt service payments for the next two decades. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact.

Use of Operating Funds for Capital Projects:

In an effort to provide critical capital projects, while simultaneously keeping debt issuances to a minimum, the City pursues a policy of earmarking excess General Fund balance for the purpose of providing pay-as-you-go funding for the CIP. The City strives to maintain a General Fund balance at a level equal to 25% of annual revenues. Amounts in excess of this target are eligible to be used as “pay-as-you-go” funding for the CIP. In the adopted FY 2004 General Fund operating budget, \$720,250 has been budgeted as a pay-as-you-go transfer to the Capital Improvements Program.

Capital Improvements Program "Back Page"

Listed below are the known projects which have been identified as desirable, but unaffordable in the current CIP program. They are not in priority order.

<i>Project Name</i>	<i>Estimated Cost</i>
Smithville/Russell Street Roadway Improvements *	1,033,000
Bates Senior Center	500,000
Church Circle Brick Roadway	1,475,000
New Public Works Facility	8,500,000
City Dock Bulkhead Replacement	2,500,000
Dredging Annapolis Harbor	8,190,000
NAAA Shuttle Enhancements	183,000
Transit Center	1,030,000
Renovation and addition to City Hall	5,650,000
Taylor Avenue Undergrounding	2,914,000
Capital City - Undergrounding of Utilities - Maryland Ave / Hanover St	5,560,000
Capital City - Undergrounding of Utilities - Cornhill Street	979,000
Capital City - Undergrounding of Utilities - East Street	3,600,000
Capital City - Undergrounding of Utilities - Fleet Street	900,000
Capital City - Undergrounding of Utilities - Pinkney Street	810,000
Total	43,824,000

* Decision awaits action/decision on reuse of Bates High School.

Changes From the FY 2004-FY 2009 Proposed to the FY 2004-FY 2009 Adopted Capital Improvements Program

(In Thousands)

The following tables illustrate changes made between the Mayor's Proposed FY 2004 - FY 2009 Capital Improvement Program and the Council Adopted FY 2004 - FY 2009 Capital Improvement Program. The amounts shown are for project capital costs only, and do not include costs for debt service or operating and maintenance costs.

Coordinated Traffic Signal Control System

(Roadways Project 452): Partial funding cut.

	<i>Prior Year</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>Total</i>
Proposed	162,750	297,250	220,000	220,000	220,000			1,120,000
Adopted	162,750	220,250	220,000	220,000	220,000			1,043,000

Capital Improvement Program Fund Totals
FY 2004 - FY 2009

<i>Fund</i>	<i>FY 2004 Adopted</i>
General	58,108,410
Water	6,439,410
Sewer	7,509,040
Off Street Parking	36,840,000
Dock	565,000
Market	751,000
Transportation	492,000
Total	\$110,704,860

The table above, and also the following table, include project capital costs only, and do not include costs for debt service or operating and maintenance costs.

**Capital Improvements Program Summary by Fund
FY 2003 - FY 2008**

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>General Fund:</i>	
#114 Porter Drive Outfall Repair	464,000
#120 Drainage Pipe Lining	95,000
#205 Eastport Fire Station	2,230,000
#211 Police Communications	1,600,000
#220 Annapolis Police Dept.-Addition, Renov. & Upgrades to EOC & CAD/RMS	8,600,000
#335 Northwest Street Park	112,980
#340 Truxtun Park Improvements	560,000
#343 Playground Construction	200,000
#344 Bates Athletic Complex Improvements	80,000
#345 Athletic Field Irrigation	270,000
#346 Recreational Trail at NAAA Stadium	1,225,000
#514 Recreation Center	11,700,000
#402 Edgewood Road Improvements	1,887,640
#431 Church Circle Sidewalks	226,000
#433 West Street Revitalization	13,221,410
#449 Forest Drive Sidewalks & Road Construction	2,588,000
#452 Coordinated Traffic Signal Control System	1,043,000
#453 Eastport Traffic Calming and ADA Improvements	318,000
#515 Financial Management System	3,623,000
#557 Vehicle Replacement Program	6,256,100
#583 Information Technology Program	608,280
#645 Annapolis Maritime Museum	1,150,000
#646 Mount Olive Community Center	50,000
Total	58,108,410

**Capital Improvements Program Summary by Fund
FY 2003 - FY 2008**

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<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
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Water Fund:

#937 Water Storage Tank	4,643,910
#942 Clear Well Replacement	1,048,000
#985 Water Tank Rehabilitation	747,500
Total	6,439,410

Sewer Fund:

#705 Second Street Force Main	1,213,000
#706 Sewer Pump Station Replacement	1,352,000
#998 General Sewer Rehabilitation	4,944,040
Total	7,509,040

OSP Fund:

#703 Park Place Garage	25,375,000
#999 Knighton Garage	11,465,000
Total	36,840,000

Dock Fund:

#994 Truxtun Park Boat Ramps	399,000
#996 Eastport Bulkhead Replacements	166,000
Total	565,000

**Capital Improvements Program Summary by Fund
FY 2003 - FY 2008**

- continued -

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>Market Fund:</i>	
#933 Market House Renovations	751,000
Total	751,000
<i>Transportation Fund:</i>	
#997 Intelligent Transportation System	492,000
Total	492,000
Grand Total	110,704,860

Capital Improvements Program Funding Summary by Program Area

(In Thousands)

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>6 Year Total</i>
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Storm Drains:

County Grants	60	60							0
State Grants	202	202							0
Operating Funds	297	297							0
Total	559	559	0	0	0	0	0	0	0

Public Safety:

Bond Funds	7,710		5,680		2,030				7,710
State Grants	2,000		2,000						2,000
Operating Funds	2,720	760		910	1,000	50			1,960
Total	12,430	760	7,680	910	3,030	50	0	0	11,670

Recreation:

Bond Funds	5,650				5,650				5,650
Federal CDBG	30			30					30
Contributions	398	398							0
State Grants	5,865	690	100	75	5,000				5,175
Operating Funds	2,205	1,255		430	170	350			950
Total	14,148	2,343	100	535	10,820	350	0	0	11,805

Roadways:

Bond Funds	10,309	8,977	1,332						1,332
AA Co.	750	750							0
State Grants	300	300							0
Operating Funds	7,925	6,819	220	446	220	220			1,106
Total	19,284	16,846	1,552	446	220	220	0	0	2,438

Capital Improvements Program Funding Summary by Program Area

(In Thousands)
- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>6 Year Total</i>
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General Government:

Bond Funds	734	734							0
Contributions	1,000				1,000				1,000
Federal Grants	1,600				800		800		1,600
State Grants	353	50			203		100		303
Operating Funds	8,000	2,337	500	1,814	1,354	695	700	600	5,663
Total	11,687	3,121	500	1,814	3,357	695	1,600	600	8,566

Water:

Bond Funds	4,439	2,189		2,250					2,250
Operating Funds	2,001	125	445	683	212	252	284		1,876
Total	6,440	2,314	445	2,933	212	252	284	0	4,126

Wastewater:

Bond Funds	3,505			3,505					3,505
Operating Funds	4,004	404	447	447	458	1,035	1,213		3,600
Total	7,509	404	447	3,952	458	1,035	1,213	0	7,105

Off Street Parking:

Bond Funds	11,385	6,830	4,555						4,555
State Grants	375	375							0
Operating Funds	80	70		10					10
Other Funds	25,000	388	24,612						24,612
Total	36,840	7,663	29,167	10	0	0	0	0	29,177

Capital Improvements Program Funding Summary by Program Area

(In Thousands)
- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>6 Year Total</i>
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Dock:

State Grants	300		300						300
Operating Funds	265	265							0
Total	565	265	300	0	0	0	0	0	300

Market:

Bond Funds	671			671					671
Operating Funds	80	80							0
Total	751	80	0	671	0	0	0	0	671

Transportation:

Federal Grants	392	196		196					196
State Grants	50	25		25					25
Operating Funds	50	25		25					25
Total	492	246	0	246	0	0	0	0	246

Total Funding:

Bond Funds	44,403	18,730	11,567	6,426	7,680	0	0	0	25,673
County Grants	60	60	0	0	0	0	0	0	0
State Grants	9,445	1,642	2,400	100	5,203	0	100	0	7,803
Federal Grants	2,022	196	0	226	800	0	800	0	1,826
Operating Funds	27,627	12,437	1,612	4,765	3,414	2,602	2,197	600	15,190
AA Co.	750	750	0	0	0	0	0	0	0
Contributions	1,398	398	0	0	1,000	0	0	0	1,000
Other	25,000	388	24,612	0	0	0	0	0	24,612
Grand Total	110,705	34,601	40,191	11,517	18,097	2,602	3,097	600	76,104

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